

Utah Office of Energy Development



Request for Applications (RFA) – Revision 1

ORIGINAL ISSUE DATE: May 15, 2012

REVISION 1 ISSUE DATE: July 3, 2012

Request for Applications: Pursuant to: (1) the U-Save Energy Fund in accordance with the American Recovery and Reinvestment Act of 2009 (ARRA 2009 Public Law 111-5); (2) Utah Code, Title 11, Cities, Counties, and Local Taxing Units, Chapter 45, Loan Program for Energy Efficiency Projects; and the Utah Office of Energy Development (OED) announces its Request for Applications (RFA) for eligible interested governmental entities for loan assistance to perform building energy efficiency and retrofit activities.

The U-Save Energy Fund finances energy-related cost-reduction retrofits for publicly owned buildings including state, tribal, municipal (city and county), public school district, charter school, public college, and public university facilities. Low interest rate loans are provided to assist those institutions in financing their energy related cost-reduction efforts. The program's revolving loan mechanism allows applicants to repay loans through the stream of energy cost savings realized from the projects.

Energy Conservation Measures (ECMs) financed through the program include, but are not limited to:

1. energy efficient street lighting,
2. energy efficient lighting systems,
3. high efficiency heating, ventilation and air conditioning systems,
4. energy management systems,
5. building shell improvements,
6. load management projects, and
7. systems commissioning.

Before entering into a U-Save loan agreement, applicants, if selected, are required to submit an Energy Assessment Report (EAR), or a Systems Commissioning Report in the case where a commissioning project meets U-Save payback requirements. All U-Save projects must be analyzed by a professional engineer or have received a utility audit from a utility regulated by the [Public Service Commission of Utah](#). The analyst is selected by the prospective borrower.

The engineer will submit the details of the analysis in the form of an EAR. The EAR is prepared in accordance with the U-Save Program Guidebook, which will be made available at <http://www.energy.utah.gov/usave/> on June 29, 2012. There is not a prescribed format for Systems Commissioning Reports. OED must approve project descriptions and calculations contained within the EAR and the Systems Commissioning Reports before authorizing project financing. OED monitoring during the construction phase and at project completion will take place on all projects.

The applicant should monitor post-retrofit energy savings to ensure that energy cost savings are being realized. The level of monitoring may range from utility bill analysis to individual system or whole-building metering, depending on the size and types of retrofits installed.

OED must approve applicant's measurement and verification plan for Energy Savings Performance Contracts. Post construction measurement and verification costs must be included as part of the total project cost. Additional U-Save funds can be borrowed for metering of large, complex retrofits and for systems commissioning to maximize the probability of achieving, or exceeding the calculated savings – provided the maximum allowable loan amount is not exceeded in the process of adding these measures to the loan.

Loan Background: If awarded under the terms of this RFA, each ECM must have a simple payback that does not exceed the estimated useful life of the ECM. The project must also have a composite simple payback for the ECM of five years or less. In addition, on Energy Savings Performance Contracts, the implementation totals and the total project payback must be five years or less. Applicants are encouraged to consider renewable energy technologies when evaluating ECMs.

Approximately \$1,500,000 in U-Save funds may be available in the form of building efficiency, retrofit, and energy efficient street lighting revolving loan funds for this announcement. The anticipated maximum loan size is \$750,000. OED may make more than one award of a loan with this RFA announcement. The loan interest rate for this RFA announcement is 2.0% fixed. The loan term will be equal to the composite simple payback term for the energy efficiency measures, and must be five years or less. Applicants have the option of buying down specific ECMs so that paybacks can meet both the individual and composite loan term limits.

Contact: Parties interested in submitting an application should contact Bartly Mathews, U-Save Energy Fund Manager, Utah Office of Energy Development: 60 East South Temple, 3rd Floor, Salt Lake City, Utah 84111, (801) 538-8723.

Questions and Non-Mandatory Letters of Intent: All written inquiries, questions, and non-mandatory letters of intent must be received in the Office of Energy Development not later than 2:00 p.m. (MDT) on July 13, 2012. Prospective applicants are encouraged to fax non-mandatory letters of intent and questions to (855) 271-4373 or via email to bhmathews@utah.gov, to ensure timely receipt. Non-mandatory letters of intent must be addressed to Bartly Mathews, U-Save Energy Fund Manager, and be signed by an official, such as a CEO or CRO, of the entity. On or about July 20, 2012, or as soon thereafter as practical, the U-Save Energy Fund Manager expects to post responses to the questions received by the deadline via email and at the U-Save Energy Fund website <http://www.energy.utah/usave>. Late non-mandatory letters of intent and questions will not be considered under any circumstances. Applicants shall be solely responsible for verifying timely receipt of non-mandatory letters of intent and questions in the Office of Energy Development.

Closing Date: Applications must be delivered in the Office of Energy Development to the attention of the U-Save Energy Fund Manager, no later than 2:00 p.m. (MDT), on August 10, 2012. Late applications will not be considered under any circumstances. Applicants shall be solely responsible for verifying timely receipt of applications in the Office of Energy Development.

Application Requirements & Eligibility: Eligible entities may apply for a U-Save Energy Fund loan administered by the Utah Office of Energy Development (OED). Applicants must meet eligibility requirements.

As part of the application process, applicants shall submit one (1) original and five (5) bound copies for one of the following documents. While the project assessment commitment and the PEA will qualify the project for potential funding, an approved EAR or commissioning report will be required prior to execution of a loan agreement.

1. **Energy Assessment Report (EAR):** Note, this report isn't required at the time the application is submitted; however, the application will evaluate higher if this report is completed and submitted with the application because it indicates a "shovel ready" project. Please see evaluation criteria on page 9 of this RFA.
2. **Commissioning Report** for commissioning projects.
3. **Preliminary Energy Assessment (PEA):** The PEA must be completed by a licensed professional engineer. PEAs must include energy conservation measure(s) (ECM) that will be completed to reduce energy costs. Project costs and simple paybacks must also be documented for each ECM in the PEA. The applicant will have an EAR completed by a licensed professional engineer or have received a utility audit from a

utility regulated by the [Public Service Commission of Utah](#) within 140 days after loan award.

4. **Project Assessment Commitment** signed by the applicant's Chief Financial Officer or equivalent. The applicant will have an EAR completed by a licensed professional engineer or have received a utility audit from a utility regulated by the [Public Service Commission of Utah](#) within 140 days after loan award.

A loan application, one (1) original and five (5) bound copies, must be submitted in the Office of Energy Development (OED) for OED review and approval.

The OED technical staff or its contractor will review the project assessment commitment, PEA, EAR, or commissioning report. A detailed project budget must be included in each EAR, or commissioning report. The project budget should include, at a minimum, the following cost categories: labor, materials (including equipment), and overhead and profit. The technical staff may request that the report author (engineer) provide additional information or calculations.

OED will establish an evaluation committee for the full review and evaluation of eligible applications. The evaluation committee shall include employees of the Office of Energy Development and may include other impartial individuals who are non-Office of Energy Development employees.

OED's legal counsel will review the applications for eligibility, compliance with the terms of the RFA, and thoroughness. The applications that meet minimum qualifications and meet eligibility requirements shall be distributed to the members of the evaluation committee for their independent review and evaluation. Evaluation criteria and relative weight for each RFA may vary.

The evaluation committee shall review and individually score each written application. The evaluation committee shall then have the option of selecting the top scoring applications and may, but is not required to, call the top scoring applicants to come to OED offices in Salt Lake City, Utah for an interview. At the interviews, the evaluation committee may ask the applicants a series of questions to clarify responses to the application questions. The evaluation committee can, in its sole discretion, proceed directly to scoring and selection without the necessity of any oral interviews.

Upon the selection of the apparent successful applicant(s), if any, applicant(s) that submitted a project assessment commitment or PEA will be notified. This (These) applicant(s) will receive a memorandum of understanding (MOU) from OED and must submit an EAR, or commissioning report in accordance with the time schedule submitted in the application. The applicant's CRO will sign and insert signature date on this MOU, which certifies that the applicant retained a license professional engineer to prepare an EAR, or commissioning report or will receive a utility audit from a utility regulated by the [Public](#)

[Service Commission of Utah](#). The EAR shall be prepared in accordance with the guidelines and formats provided in the U-Save Program Guidebook: guidelines, formats, program requirements and documents. The applicant's CFO will also certify that three (3) bound copies of the completed reports will be delivered to OED for review within the required submittal date. The sole purpose of the MOU is to reserve U-Save funds for an applicant during the period that their EAR or commissioning report is being prepared. This document should not be construed as a loan agreement and does not authorize the expenditure of funds for U-Save projects. U-Save project expenditures cannot be incurred before the effective date cited in a fully executed loan agreement unless those expenditures are approved in the U-Save Program Guidebook. The submitted EAR or commissioning report will then be reviewed by the OED technical staff or its contractor. The technical staff may request the engineering firm to provide additional information or calculations. If the report is not submitted within the application time constraints, OED may, in its sole discretion, choose to withdraw the loan offer.

If the apparent successful applicant(s) submits an EAR or commissioning report as part of the application, the OED technical staff or its contractor will review the EAR or commissioning report. The technical staff may request the engineering firm to provide additional information or calculations.

OED shall negotiate a loan agreement with the apparent successful applicants after the EAR or commissioning report has been reviewed and approved. The reports must be deemed to comply with U-Save Program Guidebook guidelines for EARs prior to preparation of a loan agreement. The loan agreement is a document that authorizes the institution to proceed with the design of their projects and includes guaranteed funding for the ECMs stated in the approved EAR or commissioning report. If a loan agreement cannot be successfully negotiated within a reasonable period of time, negotiations will be terminated, and negotiations with the next highest ranking applicant may commence. The process may continue until one or more loan agreements are signed or the loan offer is withdrawn. OED may at any time, upon failure of negotiations, choose to reissue or withdraw the loan offer rather than continue with negotiations.

If OED decides, in its sole discretion, to award more than one loan, OED may proceed with negotiations in the above-described manner with more than one applicant simultaneously.

Applicant Systems Commissioning Review Process: Systems commissioning may be part of an Energy Savings Performance Contract or a stand-alone activity. To be considered as an ECM or a stand-alone activity, the systems commissioning report must be reviewed and approved by OED prior to loan execution. Commissioning activities typically include surveying, interviewing, baseline measurements and analyses, definition of problems, definition of solutions, implementing solutions, balancing, and verification measurements. Some of these steps may be repeated as necessary to optimize systems operations. In some cases system considerations extend beyond just the equipment installed under the U-Save ECMs. This is to insure that total building system effects are comprehended and optimized.

Since both heating and cooling systems are usually involved in this process, optimization activities may extend over a six-month period or longer. Documentation of findings and corrections, along with recommended operating procedures should be provided by the commissioning organization.

Applicant agrees to notify OED when the project reaches 50% completion. OED will then perform a construction monitoring visit to ensure the project complies with the U-Save Program Guidebook guidelines. After the project monitoring visit, OED will provide the applicant with a copy of the on-site project monitoring report. This report will provide a general overview of project site activities and will address issues of budget, schedule, and conformance of the work with the design documents and will make recommendations concerning any necessary changes in scope or budget.

Applicant agrees to notify OED when the project reaches 100% completion. OED will then perform a project monitoring visit to ensure the completed project complies with the U-Save Program Guidebook guidelines. After the project monitoring visit, OED will provide the applicant with a copy of the final monitoring report. This report will be similar to the on-site project monitoring report. In addition, it will focus on compliance by the contractor with the “close-out” documentation requirements outlined in the bid documents. The report will verify that guarantees, warranties, releases, O&M manuals, training sessions required, etc. have been provided by the contractor. Applicant shall then certify with a written letter that materials and equipment to be replaced have been properly disposed. These materials would include, but not be limited to, light bulbs, ballasts, switches, controls, HVAC equipment, refrigerants, pumps, fans, blowers, piping, valves, conduit, wiring, and boilers. Certification shall include proper disposal of hazardous materials. All waste disposals must be conducted in compliance with local, State of Utah, and federal rules and regulations. Upon completion of the project and acceptance by OED, the applicant will submit a final completion report to OED and a final voucher request.

Applicant Repayment Process: After submittal of the final completion report to OED and the final voucher request, applicant will request a loan repayment schedule from OED. OED will then forward the loan repayment schedule to the applicant based on the incurred loan amount.

Loan repayments will begin within sixty days of project completion. Payments are due quarterly. The amount of annual loan repayment is based on the energy cost savings projected in the EAR or commissioning report. These projected savings are the basis for the loan. The dollar amount and the number of loan payments are established in the promissory note. The payments do not vary according to the actual energy savings. Payments established in the promissory note are due regardless of whether the applicant has achieved that level of energy savings. The applicant payback term will be equal to the EAR or commissioning report loan composite payback findings.

Application Summary: Applications must be complete, be submitted under a signed transmittal letter, include an executive summary, a table of contents, describe the project and personnel qualifications relevant to the evaluation criteria, and must meet the following program requirements:

- The maximum loan amount shall not exceed \$750,000.
- The interest rate is set at 2.0%.
- The term of the loan is equal to the composite simple payback term for the energy efficiency measures, which must be 5 years or less. The individual ECM must demonstrate a simple payback of less than the ECM's estimated useful life.
- Minimum loan term is 2 years.
- Project expenses will be reimbursed on a "cost reimbursement" basis.
- Borrower will be required to comply with federal American Recovery and Reinvestment Act (ARRA) provisions including the Buy American Provision, Davis Bacon Act, Solid Waste Disposal Act, and, if applicable, National Environmental Policy Act, and National Historic Preservation Act. Applicants will ensure that the State Historic Preservation Office (SHPO) is consulted in any project award that may include a building or site of historic importance. In this regard, SHPO guidance will be solicited and followed to ensure that the historical significance of the building will be preserved.

Buy American Provision

http://www1.eere.energy.gov/recovery/buy_american_provision.html

Davis Bacon Act

http://www1.eere.energy.gov/wip/pdfs/dba_clauses_non_wap.pdf

National Historic Preservation Act

http://www1.eere.energy.gov/wip/pdfs/historic_preservation_program_guidance.pdf

National Environmental Policy Act

http://www1.eere.energy.gov/wip/nepa_guidance.html

- OED will conduct periodic on-site monitoring visits on all building retrofit projects.
- All improvements financed through the U-Save Energy Fund shall meet minimum efficiency standards (as prescribed by applicable building energy codes). Examples of projects that are acceptable may include:
 - Building and mechanical system commissioning and optimization,
 - Energy management systems and equipment control automation,
 - High efficiency heating, ventilation and air conditioning systems, boilers, heat pumps and other heating and air conditioning projects,
 - High efficiency lighting fixtures and lamps,
 - Building shell improvements (insulation, adding reflective window film, radiant barriers, and cool roof.),

- Load management projects,
- Energy recovery systems,
- High efficiency pumps,
- Systems commissioning, and
- Renewable energy efficiency projects are strongly encouraged wherever feasible, and may include installation of distributed technology such as rooftop solar water and space heating systems, geothermal heat pumps, or electric generation with photovoltaic or small wind and solar-thermal systems. A template for expedited National Environmental Policy Act (NEPA) review has been provided at http://www1.eere.energy.gov/wip/pdfs/template_nepa_review.pdf. Projects that are within the sizing requirements shown on page 4 will qualify for expedited NEPA review. If the project exceeds the sizing requirements shown in the above referenced document, then the applicant will be responsible for further NEPA review by the DOE in the event of an award.

Evaluation Criteria: Applications will be evaluated under the general criteria outlined below. The U-Save Energy Fund Manager will make the final decision. The U-Save Energy Fund Manager reserves the right to accept or reject any or all applications submitted. The U-Save Energy Fund Manager is not obligated to execute a loan agreement on the basis of this RFA. The U-Save Energy Fund Manager shall not pay for any costs incurred by any entity in responding to this RFA. The U-Save Energy Fund Manager and OED may request additional information at any time if deemed necessary for further evaluation. General evaluation criteria are as follows and as set forth in the application instructions:

1. Which of the following reports are submitted with this application? (Maximum 30 points)
 - Energy assessment report (EAR) – 25 points
 - Commissioning report – 25 points
 - Preliminary energy assessment (PEA) – (Maximum 20 points)
 - EAR/commissioning report to be completed in less than 100 days – 20 points
 - EAR/commissioning report to be completed in less than 120 days – 15 points
 - EAR/commissioning report to be completed in less than 140 days – 10 points
 - Project assessment commitment (Maximum 15 points)
 - EAR/commissioning report to be completed in less than 100 days – 8 points
 - EAR/commissioning report to be completed in less than 120 days – 5 points
 - EAR/commissioning report to be completed in less than 140 days – 3 points
 - 3 or more ECMs – 7 points
 - 2 ECMs – 5 points
 - 1 ECM – 3 points
 - If EAR cannot be completed in less than 140 days after notice is received that funding is committed from project, do not proceed. The project is disqualified from further loan consideration.

2. If the project is an Energy Savings Performance Contract (ESPC) which requires the submittal of an EAR (see question 1), is a Measurement and Verification (M+V) Plan submitted with this application? (0 points)
 - Write “N/A” in column if project is not an ESPC and continue with evaluation.
 - If yes, write “OK” in column and continue with evaluation.
 - If no, do not proceed. Project is disqualified from further loan consideration.
3. If the project is an Energy Savings Performance Contract (ESPC), has the applicant stated that the M+V complies with International Performance Measurement and Verification Protocol (IPMVP)? (0 points)
 - Write “N/A” in column if project is not an ESPC and continue with evaluation.
 - If yes, write “OK” in column and continue with evaluation.
 - If no, do not proceed. Project is disqualified from further loan consideration.
4. If the applicant is a recipient of a Qualified Energy Conservation Bond (QECB) allocation (<http://business.utah.gov/relocate/PAB/energy-bonds/>), has the applicant waived all or part of its allocation to the State of Utah to be considered for use as additional capital in the U-Save Energy Fund? (maximum 50 points)
 - Waived 100% of allocation to the State of Utah – 50 points
 - Waived less than 100% and greater than or equal to 50% of allocation to the State of Utah – 35 points
 - Waived less than 50% allocation to the State of Utah – 20 points
5. Has the applicant stated they agree to the terms and conditions of the sample contract? (0 points)
 - If yes, write “OK” in column and continue with evaluation.
 - If no, do not proceed. (0 points)
6. Is the composite simple payback for the project Energy Conservation Measures (ECMs) less than or equal to five years? (0 points)
 - If yes, write “OK” in column and continue with evaluation.
 - If no, do not proceed. Project is disqualified from further loan consideration.
7. This question relates only to ESPCs. Is the total project payback less than or equal to 5 years? (Maximum 15 points)
 - Total project payback is less than or equal to 1 year – 15 points
 - Total project payback is greater than 1 year and less than or equal to 3 years – 10 points
 - Total project payback is greater than 3 years and less than or equal to 5 years – 5 points
 - Total project payback is greater than 5 years. Do not proceed. Project is disqualified from further loan consideration.
8. Is the simple payback for each ECM less than the estimated useful life (EUL) of that measure? (0 points)

- If yes, write “OK” in column and continue with evaluation.
 - If no, do not proceed. Project is disqualified from further loan consideration.
- 9. How many ECMs are included in the project? (Note, the ECMs are by category (lighting, HVAC, controls, etc.) and not by location (building 1 lighting, building 2 lighting, etc.) (Maximum 15 points)
 - 3 or more ECMs – 15 points
 - 2 Energy ECMs – 13 points
 - 1 Energy ECM – 10 points
- 10. Does the project retrofit incorporate renewable technologies? (Maximum 5 points)
 - Yes – 5 points
 - No – 0 points
- 11. Does the applicant’s team have licensed professional engineers (PE) with demonstrated work experience on the design of similar projects? (Maximum 15 points)
 - If yes, what is the PE’s average design experience in years? (Note – this number is calculated by adding together the design experience, in years, for each PE and then dividing the total number of years by the number of PEs. Each PE is required to list example projects that document their similar design experience in order to earn point credit)
 - 8 or more years on similar projects – 15 points
 - 4 years on similar projects – 10 points
 - 1 year on similar projects – 5 points
 - If no, then 0 points will be credited for this response.
- 12. Does the applicant’s team have other team members that have demonstrated work experience on the planning and construction of similar projects? (Maximum 15 points)
 - If yes, what is the average number of projects for each team member? (Note, this number is calculated by adding together the number of projects for each team member and then dividing the total number of projects by the number of team members. Each team member’s experience shall not exceed 6 similar projects and team members are required to list example projects that document their similar work experience in order to earn point credit)
 - 3 or more similar projects – 15 points
 - 2 similar projects – 10 points
 - 1 similar project – 5 points
 - If no, then 0 points will be credited for this response.

13. Does the applicant have the ability to comply with all federal compliance requirements listed below? (Maximum 5 points)

- Buy American Provision
http://www1.eere.energy.gov/recovery/buy_american_provision.html
- Davis Bacon Act
http://www1.eere.energy.gov/wip/pdfs/dba_clauses_non_wap.pdf
- National Historic Preservation Act
http://www1.eere.energy.gov/wip/pdfs/historic_preservation_program_guidance.pdf
- National Environmental Policy Act
http://www1.eere.energy.gov/wip/nepa_guidance.html
- Yes – 5 points
- No – 0 points

14. What is the name of the county and the county population? (Maximum 15 points)
(<http://quickfacts.census.gov/qfd/states/>) where project retrofit activities will take place? County Name:_____ County Population:_____

- County population less than 10,000 – 15 points
- County population between 10,001 to 100,000 – 10 points
- County population greater than 100,000 – 5 points

15. Will the energy savings information, updated monthly, be available for public viewing? (Maximum 5 points)

- If yes, how will the applicant make this information available for public viewing?
 - Via an Internet portal – 5 points
 - Via detailed signage at the facility entrance – 2 points
- If no, then 0 points will be credited for this response.

Anticipated Schedule: The anticipated schedule of events pertaining to this RFA is as follows:

May 15, 2012 – Issuance of RFA and program documents, after 10:00 a.m. MDT

June 29, 2012 – Issuance of program technical guidebooks, after 10:00 a.m. MDT

July 13, 2012 – Non-Mandatory Letters of Intent and Questions are due by 2:00 p.m. MDT

July 20, 2012 – Official Responses to Questions posted, or as soon thereafter as practical

August 10, 2012 – Applications Due by 2:00 p.m. MDT

Loan Agreement Execution – as soon thereafter as practical

Issued in Salt Lake City, Utah: July 5, 2012

Bartly Mathews

U-Save Energy Fund Manager